

RACE TRACK PROGRAM
ADVERTISING AGREEMENT

This agreement is entered into this ____ day of _____, 1989 by and between Philip Morris U.S.A. ~~a division of Philip Morris, Incorporated, a Virginia corporation with principal executive offices at 120 Park Avenue, New York, New York 10017~~ ("PM") and the New York Racing Association, Inc., ("NYRA") for advertising in the official racing programs ^{of the} at NYRA Race Tracks. The terms of this agreement are as follows:

1. NYRA shall include a full-page, four-color bleed advertisement for PM's MARLBORO brand of cigarettes on the outside of the back cover of the official daily racing program ("Program") for all Thoroughbred races at Belmont Park, Saratoga and Aqueduct Race Tracks (the "Race Tracks"), including any special racing events such as, but not limited to, the Travers and Belmont Stakes. The design, layout, and content of each such PM advertisement shall be provided to NYRA by PM by a date to be agreed upon by NYRA and PM. NYRA shall notify PM one month prior to the printing of each new Program and shall, if PM in its sole discretion elects, include in such new Program, new PM advertising copy.

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2. The term of this agreement shall commence on January 1, 1989 and expire on December 31, 1989 (the "Term").

3. PM shall pay to NYRA for the entirety of the Program advertising rights described in paragraph 1 hereof the sum of \$48,500, which sum shall include all applicable taxes, for the Term covered by this agreement. Such payments shall be made in two (2) installments of \$24,250 each, to be paid thirty (30) days after PM's receipt of invoices to be sent by NYRA no earlier than July 1, 1989 (together with three (3) copies of the Program from each Race Track) and December 31, 1989 respectively.

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4. There shall not be any advertisements (i) in or around the Race Tracks nor ~~(ii) in the Programs~~ concerning smoking tobacco products or smoking except by PM.

5. NYRA shall offer PM in writing, no later than ninety (90) days prior to the expiration of the Term of this agreement, a right of first refusal to renew this agreement. PM may renew this agreement at a rate and for a period to be mutually agreed upon and upon terms including renewal rights similar to those in this agreement.

6. If PM does not exercise its right to renew, NYRA may grant the program advertising rights to any

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other party upon the expiration of the Term, but not upon terms more favorable than those offered to PM without granting to PM a right of first refusal of the more favorable terms.

7. If any federal, state, municipal or local law, regulation, ordinance, or ruling becomes effective which makes the advertising of tobacco products unlawful, generally or as to the type of advertising contemplated by this agreement, or regulates the smoking of tobacco products or requires a modification of advertising copy that in the reasonable opinion of PM materially reduces the value of this agreement, then this agreement may be terminated by PM as of the date such law, regulation, ordinance, or ruling becomes effective.

8. NYRA is and shall remain an independent contractor, and nothing contained herein or done pursuant hereto shall be construed to create any relationship of principal and agent or employer and employee between PM and NYRA, or to make them joint venturers.

9. This agreement contains the entire understanding of the parties hereto relating to the subject matter hereof and may not be changed except by a writing signed by both parties.

NOT NECESSARY (?)

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The parties hereto have duly executed this agreement as of the date first written above.

NEW YORK RACING
ASSOCIATION, INC.

PHILIP MORRIS, U.S.A.

By: _____

By: _____
Richard L. Stirlen
Director, Media

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